

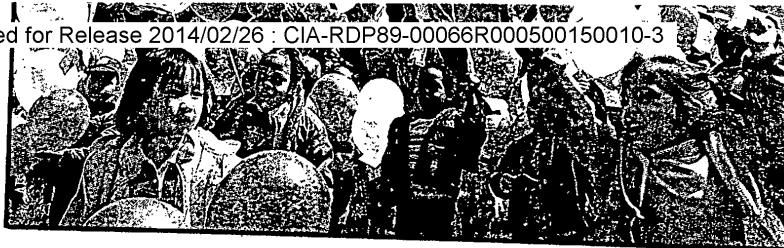
the Courts

Proper Layoffs
Procedures violated
in workers were
removed from jobs

Page 11

development childcare facility in Washington during festivities for the Week of the Young Child. The balloons were tagged with names of donors to a joint child development center being planned by HUD and the General Services Administration. Many agencies hosted events all week which focused on quality child care.

Federal Times/Bill Kalis



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Postal Scene

Worker Pressure
Union, working
conditions blamed
for Washington
visitors' deaths

Page 13



Surprise! Transfers to FERS Still Possible

By Sean Ford

Federal employees will get a second chance to change retirement systems after all, officials say, thanks to a little-noticed provision of the 1986 FERS law.

And, because of a favorable decision by the Social Security Administration, they'll also get a second chance to dodge a pension rule known as the "Public Pension Offset," a means test that greatly reduces the spousal Social Security benefits of people who also draw federal pensions.

The news comes as a pleasant surprise to civil service groups,

some of whom have pushed unsuccessfully since January for another shot at transferring into the Federal Employees Retirement System. Last year's open season, which ran for six months until Dec. 31, attracted only 2 percent of nearly 2 million Civil Service Retirement System participants who were eligible.

Yet though most employees apparently stayed away from FERS based on its merits, others complained that Congress crimped the open season by taking too long to resolve legislation affecting pension choices.

The legislation included a

tightening of the Public Pension Offset and a lifting of a cap on higher-paid employees' participation in the new thrift retirement fund. Congress did not pass — and the president did not sign — the legislation until Dec. 22, giving employees just a few business days to hear of, digest and act upon the changes.

As a result, howls went up early this year for the Office of Personnel Management to accept late requests or for Congress to legislate a second chance.

The looming opportunity, however, comes not from new

See Transfer, Page 17

Transfer

From Page 1

legislation but from a "belated filing provision" of the original FERS law. Officials said the clause permits agencies, at their discretion, to accept late transfer requests up to six months into 1988, or until June 30, in cases where employees did not have adequate access to information.

To qualify as a belated filer,

Bolger

From Page 15

Leland, "that the U.S. Postal Service checked with the Department of Agriculture and the CIA in regard to these activities before awarding the contract."

Both former PMG Preston R. Tisch and current PMG Anthony Frank told *Federal Times* they had no knowledge of Evergreen's past.

In an interview, Bolger denied he had any influence on the award of the USPS contract to Evergreen. He said he had not joined the Evergreen board until after the contract was awarded. He said that he had dealings with Evergreen prior to the award as president of the Air Transport Association.

Leland said he will ask the PMG and the Board of Governors questions about the contract at the annual oversight hearing on the postal service.

an employee will have to certify, perhaps in writing at some agencies, that he or she would have transferred to FERS last year except for late news about what Congress did Dec. 22.

At presstime, the Office of Personnel Management was preparing to announce the Social Security decision and to advise agencies on how to handle late transfer requests.

OPM was awaiting only written notification from the Social Security Administration that, for Social Security purposes, late transferees can be considered to have beaten the Dec. 31, 1987, date after which the Public Pension Offset became more stringent.

The offset reduces spousal Social Security benefits by two-thirds of an annuitant's federal benefit, usually to zero. A retiree eligible for a \$1,000 a month civil service benefit and a \$400 a month spousal Social Security benefit, for example, would see the spousal benefit reduced by two-thirds of \$1,000 or \$667 — enough to wipe out the spousal payment.

The original FERS law contained a provision exempting the system's participants from the offset, raising speculation that a person could transfer to FERS, freeze CSRS benefits, work just a few days and retire on a few hundred dollars a month extra in spousal benefits.

The House Ways and Means Committee sought to close the so-called loophole by passing

legislation requiring people transferring to work five years under FERS before gaining exemption from the offset. But the legislation, which would have been retroactive to the July 1 starting date of open season, languished in the House until just before year's end, and then was amended to affect only FERS transfers made after Dec. 31, 1987.

That is why the Social Security Administration's ruling is considered important. It gives employees a chance to move to FERS now, get credit for beating the Dec. 31 deadline and retire with a full spousal Social Security benefit.

OPM was planning to inform agency retirement counselors at a monthly working session scheduled for April 25. Soon after, the word should begin to filter its way through agencies, officials said.

Social Security's parent agency, the Health and Human Services, was the first to exercise the belated filing provision, disclosing late last week it would give employees until June 18 to get in late forms. An official there said the deadline in all likelihood would be pushed back to June 30, the law's effective drop-dead date, and an OPM official said employees at other agencies probably will get until then, too.

An HHS official noted transfer requests are subject to verification, however, at the field level. An employee who certified he switched to FERS be-

cause of the pension offset provision "would certainly arouse suspicion if, say, he or she turned out to be unmarried," the official said.

Also, except for Social Security purposes, late transfers will not be considered to have been made retroactively, officials said.

Employees also can transfer late if they certify they did not learn in time of the lifting of the thrift retirement fund cap — another Dec. 22 change. Previously, federal employees whose salary exceeds \$50,000 a year would not have been able to contribute more than 2 percent over what lower-paid workers contributed.

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